

G. DUKES SCOTT
EXECUTIVE DIRECTOR

P.O. Box 11263
Columbia, S.C. 29211



Phone: (803) 737-0800
Fax: (803) 737-0801

DAN F. ARNETT
CHIEF OF STAFF

178510 -SAI
178509 -250
003/17/06

March 17, 2006

VIA HAND DELIVERY

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

RECEIVED
MAR 17 AM 10:59
SO. PUBLIC SERVICE
COMMISSION

Re: Application of Charleston Transportation Leasing, LLC for a Class C (Taxi) Certificate of Public Convenience and Necessity for Operation of Motor Vehicle Carrier

And

Application of Charleston Transportation Leasing, LLC for a Class C (Charter) Certificate of Public Convenience and Necessity for Operation of Motor Vehicle Carrier

Docket Nos. 2005-250-T and 2005-266-T

Dear Mr. Terreni:

This letter is regarding applications filed by Charleston Transportation Leasing, LLC ("Charleston Transportation"), for Class C certificates of public convenience and necessity in the above referenced dockets. After these applications were filed with the Commission, the Office of Regulatory Staff ("ORS") notified the Commission of its objection to the granting of these certificates. This opposition was primarily based upon Charleston Transportation's intention to extend the use and coverage of its self-insurance certificate to independent drivers.

On February 27, 2006, the Commission issued its Order No. 2006-117 in Docket No. 2005-279-T. This Docket related to an application by an independent driver intending to be covered by the self-insurance certificate of a taxi company. After a public hearing in this matter, the Commission held that "the protection afforded the public by a

properly issued self-insurance certificate is equivalent to that afforded by an insurance policy with the same level of coverage.” Commission Order No. 2006-117 (February 27, 2006), Docket No. 2005-279-T Application of Luis Felipe Denis d/b/a Denis Transportation Company for a Class C (Taxi) Certificate of Public Convenience and Necessity for Operation of Motor Vehicle Carrier.

Due to the Commission’s holding in this matter, ORS no longer objects to Charleston Transportation’s applications; however, ORS believes certain issues remain which are best addressed in these dockets. While the Commission addressed the extension of coverage of self-insurance, the Order did not specify the requirements for the holder of the self-insurance certificate. As you are aware, the Commission regulations currently provide for traditional insurance companies to notify ORS in the event coverage is cancelled or otherwise terminated. It is, therefore, unclear, what types of notification the self-insured entities are required to provide.

In resolving these issues, ORS and Charleston Transportation have entered into the attached Settlement Agreement whereby Charleston Transportation agrees to notify ORS of its extension of coverage to certificated carriers as well as cancellation or termination of that coverage. This will allow ORS to oversee the coverage of those carriers and help ensure compliance with Commission regulations and Orders. As further clarification of our request, I have attached for the Commission’s consideration a proposed order which has been reviewed and approved by Charleston Transportation.

Thank you for your assistance with this matter. Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Benjamin P. Mustian", with a long horizontal flourish extending to the right.

Benjamin P. Mustian

cc: Dallas D. Ball, Esquire
Tommy Lee, Manager

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2005-250-T & 2005-266-T

IN RE:

Application of Charleston)
Transportation Leasing, LLC for a)
Class C (Taxi) Certificate of Public)
Convenience and Necessity for)
Operation of Motor Vehicle Carrier)

CERTIFICATE OF SERVICE

And


Application of Charleston)
Transportation Leasing, LLC for a)
Class C (Charter) Certificate of Public)
Convenience and Necessity for)
Operation of Motor Vehicle Carrier)

RECEIVED
2006 MAR 17 AM 10:57
SC PUBLIC SERVICE
COMMISSION

This is to certify that I, Pamela McMullan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **SETTLEMENT AGREEMENT AND PROPOSED ORDER** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Dallas D. Ball, Esquire
Charleston Transportation Leasing, LLC
Post Office Box 419
Ballentine, SC, 29002

Tommy Lee, Manager
Charleston Transportation Leasing, LLC
Post Office Box 63523
N. Charleston, SC, 29419



Pamela McMullan

March 17, 2006
Columbia, South Carolina

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

DOCKET NO. 2005-250-T and 2005-266-T

March 16, 2006

IN RE: Application of Charleston)
 Transportation Leasing, LLC for a)
 Class C (Taxi) Certificate of Public) **SETTLEMENT AGREEMENT**
 Convenience and Necessity for)
 Operation of Motor Vehicle Carrier)

RECEIVED
 2006 MAR 17 AM 10:59
 SC PUBLIC SERVICE
 COMMISSION

This Settlement Agreement is made by and between Charleston Transportation Leasing, LLC ("Charleston Transportation") and the South Carolina Office of Regulatory Staff ("ORS"), with respect to the proceeding pending before the South Carolina Public Service Commission ("the Commission") in SCPSC Docket Nos. 2005-250-T and 2005-266-T.

WHEREAS, Charleston Transportation filed an Application on August 19, 2005, for a Class C (Taxi) Certificate of Public Convenience and Necessity in accordance with the provision of S.C. Code Ann. § 58-23-10, (1976), and amendments thereto; and

WHEREAS, Charleston Transportation filed an Application on September 8, 2005, for a Class C (Charter) Certificate of Public Convenience and Necessity in accordance with the provision of S.C. Code Ann. § 58-23-10, (1976), and amendments thereto; and

WHEREAS, on October 12, 2005, ORS filed a letter with the Commission requesting to hold a formal hearing in these dockets in order for the Commission to hear certain matters relating to the use of self-insurance by independently certificated taxi cab drivers; and

WHEREAS, the Commission, in Docket No. 2005-279-T, issued its Order No. 2006-117, granting a certificate to Mr. Luis Felipe Denis and authorizing the use of self-insurance coverage by way of a leasing arrangement with Checker Yellow Cab.

WHEREAS, the above referenced decision does not specify the manner in which the leasing

company, as holder of the self-insurance certificate, shall interact with ORS with respect to such self-insurance coverage; and

WHEREAS, the same issues and concerns regarding the required interaction and notification to ORS exist with respect to the application of Charleston Transportation; and

WHEREAS, Charleston Transportation and the ORS believe that it is in their best interests and those of the State of South Carolina to resolve the differences between their respective positions concerning the issues in order to avoid the additional expense and effort which the litigation of their positions would occasion in SCPSC Docket No. 2005-250-1.

WHEREFORE, Charleston Transportation and ORS have agreed as follows:

1. ORS will withdraw its objection and request for a formal hearing relating to Charleston Transportation's application in Docket No. 2005-250-1.

2. In the event Charleston Transportation enters into lease agreements with certificated drivers or other certificated entities and extends coverage of its self-insurance certificate to such drivers or entities, Charleston Transportation agrees to notify ORS of the applicability of coverage of these drivers immediately upon applicability of such coverage.

3. If, for any reason, a certificated driver's or entity's leasing arrangement with Charleston Transportation is terminated, or if Charleston Transportation no longer extends coverage of its self-insurance certificate to a certificated driver or entity, Charleston Transportation agrees to notify ORS of the cancellation of such certification immediately upon cancellation of such coverage.

4. The notification shall include the name of the driver or entity as that name appears on the application or certificate of the motor carrier. Additionally, the notification shall include the vehicle identification number of the leased vehicle and an updated copy of the listing of vehicles covered by Charleston Transportation's self-insurance certificate as required by the South Carolina Department of Motor Vehicles.

5. ORS, with the assistance of Charleston Transportation, shall develop forms for such notification.

6. Upon execution of this Settlement Agreement, ORS will file notice of the withdrawal of its objection to Charleston Transportation's application in these dockets. Additionally, ORS will file a Proposed Order with the Commission delineating the terms of this agreement.

IN WITNESS WHEREOF, Charleston Transportation and ORS have caused this Settlement Agreement to be signed and sealed this 16 day of March 2006, by their duly authorized representatives.

SIGNATURE PAGE FOLLOWS

ATTEST:

John S. Ball

CHARLESTON TRANSPORTATION
LEASING, LLC

BY: Dallas J. Ball

TITLE: ITS ATTORNEY

ATTEST:

Wendy B. Cartledge

THE SOUTH CAROLINA OFFICE OF
REGULATORY STAFF

BY: [Signature]

TITLE: Staff Attorney

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2005-250-T AND 2005-266-T – ORDER NO. 2006-____

March 16, 2006

IN RE: Application of Charleston)	
Transportation Leasing, LLC for a)	ORDER GRANTING
Class C (Taxi) Certificate of Public)	CLASS C CERTIFICATE
Convenience and Necessity for)	
Operation of Motor Vehicle Carrier)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Charleston Transportation Leasing, LLC for a Class C (Taxi) Certificate of Public Convenience and Necessity, to render motor passenger service as follows:

BETWEEN POINTS AND PLACES IN CHARLESTON, BERKELEY AND
DORCHESTER COUNTIES, SOUTHCAROLINA,

RESTRICTED TO: SEVEN (7) PASSENGERS.

On October 12, 2005, the Office of Regulatory Staff (“ORS”) filed with the Commission an objection to this application and requested a formal hearing in this matter. On March ____, 2006, ORS filed a letter notifying the Commission that, pursuant to the Commission’s ruling in Docket No. 2005-279-T, ORS no longer objected to the application of Charleston Transportation.

In Order No. 2006-117 in Docket No. 2005-279-T, the Commission held that the use of self-insurance by taxicabs in lieu of conventional insurance coverage is statutorily authorized by the Motor Vehicle Financial Responsibility Act, S.C. Code Ann. §56-9-60

(Supp. 2004), and the use of such self-insurance coverage shall not be a bar to the issuance of a Class C Taxi Certificate, as long as the Applicant and the entity holding the Self-Insurance Certificate issued by the South Carolina Department of Motor Vehicles comply with all applicable statutes and regulations and maintain liability coverage on the operator and vehicle equal to or greater than the minimum coverage levels specified in 26 S.C. Code Ann. Regs. 103-172 (Supp. 2005).

ORS notified the Commission that, given this ruling, they no longer objected to the application of Charleston Transportation; however, ORS did request that the Commission address the issue of notification of coverage in its Order. Specifically, ORS requested the Commission require Charleston Transportation to notify the ORS when Charleston Transportation extended coverage of its self-insurance certificate to a holder of a Class C Certificate or cancelled such coverage.

Upon consideration of the Application, the representations contained therein and the documentary evidence attached thereto, the Commission finds that the Applicant is fit, willing and able to perform the service to the public under the authority sought. The Commission also finds that the granting of the Certificate is required by public Convenience and necessity. The Commission's review of the Application, and the nature of the taxi cab business,¹ leads this Commission to find that the instant Application should be approved.

IT IS THEREFORE ORDERED:

¹ See, e.g., OrderNo. 79-26, issued in Docket No. 78-491, IN RE: Application of Right's Transportation Service, Inc., on February 27, 1979.

1. That the Application of Charleston Transportation Leasing, LLC for a Class C (Taxi) Charter Certificate of Public Convenience and Necessity is hereby approved.

2. That the Applicant file, or cause to be filed, with the Office of Regulatory Staff the proper license fees, proof of liability insurance (i.e. "Form E" or "Self Insurance Coverage Certificate"), and other information required by S.C. Code Ann. Section 58-23-10 et seq. (1976), as amended, and by 26 S.C. Code Ann. Regs. 103-100 through 103-41 (Supp. 2004) of the Commission's Rules and Regulations for Motor Carriers, and 23A S.C. Code Ann. Regs. 38-400 through 38-503 (Supp. 2004) of the Department of Public Safety's Rules and Regulations for Motor Carriers, within sixty (60) days of the date of this Order, or within such additional time as may be authorized by the Commission.

3. That the failure of the Applicant to either (1) complete the certification process by complying with the requirements of filing with the Commission proof of appropriate insurance and the payment of license fees and such other information required by law within sixty (60) days of the date of this Order or (2) request and obtain from the Commission additional time to comply with the requirements stated above, shall result in the authorization approved in this Order being revoked.

4. That upon compliance with the filing of information as required by S.C. Code Ann. Section 58-23-10, et seq. (1976), as amended, and the applicable Regulations for Motor Carriers, S.C. Code Ann., Vol. 26 (1976), as amended, a Certificate shall be issued by the ORS to the Applicant authorizing the motor carrier services granted herein.

5. That prior to compliance with the requirements regarding the filing of certain information with the ORS and receipt of a Certificate, the motor carrier services authorized by this Order may not be provided.

6. That, in the event Charleston Transportation enters into lease agreements with certificated drivers or other certificated entities and extends coverage of its self-insurance certificate to such drivers or entities, Charleston Transportation agrees to notify ORS of the applicability of coverage of these drivers immediately upon applicability of such coverage.

7. If, for any reason, a certificated driver's or entity's leasing arrangement with Charleston Transportation is terminated, or if Charleston Transportation no longer extends coverage of its self-insurance certificate to a certificated driver or entity, Charleston Transportation agrees to notify ORS of the cancellation of such certification immediately upon cancellation of such coverage.

8. The notification shall include the name of the driver or entity as that name appears on the application or certificate of the motor carrier. Additionally, the notification shall include the vehicle identification number of the leased vehicle and an updated copy of the listing of vehicles covered by Charleston Transportation's self-insurance certificate as required by the South Carolina Department of Motor Vehicles.

9. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

Randy Mitchell, Chairman

ATTEST:

G. O'Neal Hamilton, Vice-Chairman